



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
CARVEL STATE BUILDING
820 N. FRENCH STREET
P.O. BOX 8911
WILMINGTON, DELAWARE 19899-8911

DIVISION OF REVENUE

REVISED TECHNICAL INFORMATION MEMORANDUM 97-9

JANUARY 13, 1998

SUBJECT: NATURAL GAS TRANSMISSION COMPANIES

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(302) 577-8445**

Page two of the original mailing of Technical Information Memorandum 97-9 was printed in error. This is the revised Technical Information Memorandum 97-9.

I. INTRODUCTION

H.B. No. 320 amended Chapter 55, 30 Del. C., to create fairness and equity among suppliers of gas by ensuring that all sales of gas are subject to the Public Utility Tax. This Act imposes the tax upon the use of the gas by the consumer and shall be paid by the consumer or user when purchased from an out of state distributor. The tax shall be at the same rate as if the tax was paid by an in-state distributor. Gas is a public utility whether distributed to a consumer or user within this State by a distributor, either directly or through an intermediary, or delivered by a transmission company.

II. DEFINITIONS

"Distributor" includes any company, corporation, municipality, partnership, firm, association, cooperative or any person or group of persons which supplies any public utility for sale to ultimate consumers or users within this State, whether, in the case of gas, the gas is supplied through a distributor's own or a transmission company's facilities.

"Transmission Company" includes any company, corporation, municipality, partnership, firm, association, cooperative or any person or group of persons owning, leasing or controlling property or fixtures to property within this State used for the transmission, transportation or distribution of gas.

"Gas" means natural gas which is further defined as a naturally occurring gaseous mixture of hydrocarbons and non-hydrocarbons, the principal constituent of the gaseous mixture being methane.

III. REGULATION

Whenever gas is delivered within this State by a transmission company from a person who is not a distributor within this State, the tax imposed by Chapter 55, 30 Del. C., shall be upon the use of the gas and shall be paid by the consumer or user and shall be at the same rate as if the gas were delivered by an in-state distributor. The tax will only be required to be paid by the consumer or user of the gas if the gas is received from a distributor who does not report and remit the tax and the tax would have been imposed by this Chapter had the gas been delivered from an in-state distributor to a consumer or user within this State.

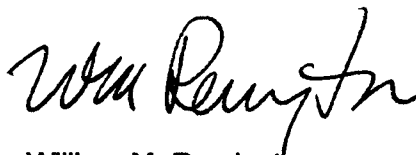
Whenever gas is delivered by a distributor who does not report and remit the tax on such gas and the tax would have been imposed if delivered by an in-state distributor to a consumer or user within this State, the consumer or user shall pay the tax due required by this Chapter to the Division of Revenue within twenty (20) days after the end of the calendar month in which the consumer or user first receives a statement from the out of state distributor setting forth the amount charged for such gas purchased during the preceding calendar month.

Form 5502(b)(3) (copy attached) must be completed by the transmission company to report to the Division of Revenue all deliveries of gas through the transmission company's line from the out of state distributor to the consumer or user within this State.

Form 5502(b)(3) is required to be filed with the Division of Revenue by the 15th day of each month with respect to gas transmitted from the out of state distributor to the consumer or user within this State for the immediately preceding month. The transmission company must include with the consumer's monthly billing notification of the requirement for the consumer or user to pay Public Utility Tax directly to the Delaware Division of Revenue on gas purchased from an out of state distributor.

IV. EFFECTIVE DATE

This act shall apply to all deliveries of gas to the consumer or user within this State after December 31, 1997.



William M. Remington
Director of Revenue

DELAWARE NATURAL GAS TRANSMISSION REPORT

Name of Transmission Company:

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Transmission Company E.I. No.

Address:

REPORTING PERIOD

City & State:

Zip Code:

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Month

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Year

	WITHIN STATE CONSUMER / USER	DELIVERY LOCATION	QUANTITY DELIVERED
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20.			

Under penalties of perjury, I declare that I have examined this return and to the best of my knowledge and belief it is true and correct.

DATE: _____ SIGNATURE: _____ TITLE: _____

File this return with the Delaware Division of Revenue, Business Audit Bureau, 520 N. French Street, Wilmington, DE 19801, on or before the 15th day of each month for the preceding month.

**DELAWARE
NATURAL GAS
TRANSMISSION REPORT**

**CONTINUATION
SHEET**

Name of Transmission Company:

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Transmission Company E.I. No.

REPORTING PERIOD

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Month

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Year

	WITHIN STATE CONSUMER / USER	DELIVERY LOCATION	QUANTITY DELIVERED
21.			
22.			
23.			
24.			
25.			
26.			
27.			
28.			
29.			
30.			
31.			
32.			
33.			
34.			
35.			
36.			
37.			
38.			
39.			
40.			

Under penalties of perjury, I declare that I have examined this return and to the best of my knowledge and belief it is true and correct.

DATE: _____ SIGNATURE: _____ TITLE: _____

File this return with the Delaware Division of Revenue, Business Audit Bureau, 820 N. French Street, Wilmington, DE 19801 on or before the 15th day of each month for the preceding month.